

**From:** [kira.dabby@lw.com](mailto:kira.dabby@lw.com)  
**To:** Cora, Lori; [KIRK.WILKINSON@lw.com](mailto:KIRK.WILKINSON@lw.com); Shah, Hiral  
**Cc:** [michael.mculty@usdoj.gov](mailto:michael.mculty@usdoj.gov)  
**Subject:** RE: Royal Policy Coverage -- confidential settlement communication  
**Date:** Tuesday, March 04, 2014 11:49:34 AM

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Lori,

Thank you for your note. Unfortunately, Kirk has hearings Thursday and Friday, so those days will not work for us. But Kirk and I are both available today from 3:30 to 5:30 if that window (or any time therein) would work for you. Although we can arrange to be available certain times tomorrow, today is much better for both of our schedules. Would today work for you and Hiral?

Thanks,  
Kira

**Kira S. Dabby**

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**From:** Cora, Lori [mailto:Cora.Lori@epa.gov]  
**Sent:** Tuesday, March 04, 2014 2:23 PM  
**To:** Wilkinson, Kirk (LA); Shah, Hiral  
**Cc:** [michael.mculty@usdoj.gov](mailto:michael.mculty@usdoj.gov); Dabby, Kira (NY)  
**Subject:** RE: Royal Policy Coverage -- confidential settlement communication

Hello, Kirk. Thank you for your reply. Mike is out of the office this week. We want to get back to you as soon after Mike returns to hopefully reach a settlement with Royal. Toward that goal, I think it would be good if Hiral Shah and I could talk with you this week to make sure we have a common understanding about the operations and activities of Albina Engine and Dillingham Ship Repair and other related companies at the Portland Harbor Superfund Site as they relate to the number of "occurrences" covered by the policies and therefore reasonable settlement amounts. If you could give us a couple days and times you could talk for an hour or so, Hiral and I will arrange a call. Thank you.

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**Lori Houck Cora** | Assistant Regional Counsel  
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**From:** [KIRK.WILKINSON@lw.com](mailto:KIRK.WILKINSON@lw.com) [mailto:[KIRK.WILKINSON@lw.com](mailto:KIRK.WILKINSON@lw.com)]  
**Sent:** Monday, March 03, 2014 8:50 AM

**To:** Cora, Lori

**Cc:** [michael.mculty@usdoj.gov](mailto:michael.mculty@usdoj.gov); [kira.dabby@lw.com](mailto:kira.dabby@lw.com)

**Subject:** RE: Royal Policy Coverage -- confidential settlement communication

Lori:

The four Royal policies are from 1975-76 through 1978-79. They are \$500,000 per occurrence and \$5 million aggregate for the first two years, and appear to be \$1 million per occurrence and \$5 million aggregate for the last two years. So the occurrence limits total \$3 million, and the aggregate limits total \$20 million. They have a pollution exclusion, and Royal is participating in the defense of Dil Trust in Hawaii. Royal will expect a reasonable discount for the pollution exclusion, and a small discount for paying cash up front. Analogizing to the Gulf Policy, DIL Trust is planning to allow half of this coverage to remain available for Hawaii. Would EPA and DOJ support a demand of \$7 million and a settlement above \$2.5 million? We think with an anticipated cash contribution from Gulf, this would be a nice cash start to the Insurance Trust concept we have been discussing.

Please let me know so I can try to push this one forward at the same time we continue discussions with Gulf.

Thanks,

**Kirk A. Wilkinson**

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**From:** Cora, Lori [<mailto:Cora.Lori@epa.gov>]

**Sent:** Wednesday, February 26, 2014 10:12 AM

**To:** Wilkinson, Kirk (LA)

**Subject:** Royal Policy Coverage

Hi, Kirk. Mike McNulty informed me of your recent conversation. We want to get back with you soon regarding a potential Royal settlement of coverage claims. Can you tell me if \$3 Million is the total policy aggregate limit under all Royal policies or the per occurrence limit?

On a related note, did you forward to us the complete copy of the Gulf Policy, if not could you provide a complete copy? Thank you very much.

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